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Second Committee

Summary record of the 3rd meeting
Held at Headquarters, New York, on Monday, 30 September 2002, at 3 p.m.

Chairman:	Mr. Suazo	(Honduras)
later:	Mr. Benmellouk (Vice-Chairman)	(Morocco)
later:	Mr. Suazo (Chairman)	(Honduras)

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The meeting was called to order at 3.10 p.m.

General debate (*continued*)

1. **Mr. Siv** (United States of America) said that the establishment of the Millennium Challenge Account on the eve of the International Conference on Financing for Development was an example of the Organization's deep commitment to helping the poor and supporting countries which valued good governance, invested in their people and promoted economic freedom. It also reflected the United States development policy of unleashing the potential of the poor rather than locking them into a cycle of dependence.

2. At the World Summit on Sustainable Development, the United States had joined a number of other Governments, international organizations, businesses and non-governmental organizations in launching over a dozen partnership initiatives aimed at achieving concrete results. The initiatives covered a wide range of issues, from water, energy, hunger and forests, to health, housing, oceans, and geographic information. The Committee must now determine how best to support the outcomes of the Monterrey Conference, the Johannesburg Summit and the Fourth Ministerial Conference of the World Trade Organization (WTO), held in Doha. Its agenda for the current session included a number of key issues dealt with at those three conferences, but was also very repetitive and would benefit from reorganization, streamlining and consolidation around a limited number of key themes.

3. In addition, the Committee should request the Commission on Sustainable Development to discuss how it could serve as a focal point for the discussion of partnerships. The new format might be centred on the themes of water and sanitation, energy, health, agriculture and biodiversity (WEHAB) identified by the Secretary-General prior to the World Summit.

4. **Mr. Hidayat** (Indonesia) expressed his delegation's support for the statement made by the representative of Venezuela on behalf of the Group of 77 and China. The main challenges of implementing the outcomes of the Monterrey Conference and Johannesburg Summit would be eradicating dehumanizing poverty and hunger, ensuring that globalization worked and advancing sustainable development by integrating its three mutually reinforcing components — economic development, social development and environmental protection. Multilateralism, highlighted during the general debate in the plenary Assembly, would be the most effective way to meet those challenges and, in addition, to combat the twin scourges of modern times — international terrorism and poverty. During the plenary debate, the Minister for Foreign Affairs of Indonesia had stressed that multilateralism meant respecting other points of view, engaging in consultations and seeking consensus. The General Assembly, as the highest body within a strengthened United Nations system, should play a vital role in providing policy guidance on implementing the outcomes of the 2002 conferences. Thus, there was an urgent need to continue reforming the work of the General Assembly during the current session.

5. The Millennium Declaration, the Ministerial Declaration of the WTO Fourth Ministerial Conference, the Monterrey Consensus and the Johannesburg Plan of Implementation all stressed that financial issues, trade and development cooperation must no longer be considered in isolation. Improved national and international enabling environments and the mobilization of domestic and international financial resources would be equally vital to the further implementation of the millennium development goals. In the area of international trade, he called for an open, equitable and non-discriminatory multilateral trading system, as advocated at the Doha Conference and greater market access for products from developing countries. His delegation supported the utilization of special drawing rights for development purposes, the further development of debt-for-sustainable-development swaps, particularly for middle-income countries and, in general, the use of debt swaps as a means of enhancing sustainable development. It also supported the Secretary-General's proposal to continue to improve global economic governance and strengthen the Organization's leadership role in promoting development. Stressing the importance of an institutional framework for the implementation of the commitments undertaken at the World Summit on Sustainable Development, he said that his delegation looked forward to the Secretary-General's proposal on new modalities for the work of the Commission on Sustainable Development, and the role of the Economic and Social Council and the General Assembly in ensuring coherency. In order to achieve greater coherence between the United Nations and the international financial, monetary and trading systems,

the developing countries must have a stronger decision-making role in the various international bodies, and consultation with the private sector and civil society must be increased.

6. **Mr. Sin** Son Ho (Democratic People's Republic of Korea) said that his delegation fully endorsed the statement made by the representative of Venezuela on behalf of the Group of 77 and China. Despite the pledges made at the International Conference on Financing for Development and the World Summit on Sustainable Development, poverty had reached alarming levels. The gap between the developed and developing countries was widening, and sustainable economic development and the global environment were being undermined by reckless profit-oriented economic activities, the abuse of natural resources and various conflicts and confrontations. In order to promote the sustainable economic development of developing countries, their foreign debt should be cancelled and conditionalities on the provision of resources and technology should be eliminated. In addition, artificially created barriers must be removed to allow commodities from developed and developing countries access to the markets. The developed countries were morally obligated to provide cooperation to developing countries, to create a tolerant political atmosphere that would be favourable to economic development and, above all, to lift sanctions and blockades of all forms against developing countries.

7. His Government had adopted a number of measures to reform and modernize its economy, in particular, in the information technology sector. In that connection, it was providing materials and training to information technology experts in computer think-tank centres.

8. **Mr. Zhang** Yishan (China) said that the International Conference on Financing for Development and the World Summit on Sustainable Development were but starting points, whose outcomes must now be translated into actions. To that end, the international community must support national development efforts, create a favourable external environment and increase the decision-making power of the developing countries in international economic affairs. At the same time, donor countries, developing countries, the United Nations system, multilateral economic institutions, the private sector and civil society must forge a development-oriented global partnership with a view to realizing the millennium development goals.

9. Financial resources and technology were the key to attaining the millennium development goals in developing countries. As the Secretary-General had indicated, an additional US$ 50 billion in official development assistance was needed. To that end, the developed countries must honour the pledges made in Monterrey to provide official development assistance, striving to achieve the goal of 0.7 per cent of their gross national product as soon as possible. The developed countries must also fully implement the Uruguay Round of multilateral trade negotiations, lift trade barriers against developing countries, improve those countries' market access and, above all, take their concerns into account in the new round of multilateral trade negotiations. It was also crucial to increase investments in developing countries and effectively resolve their external debt problem.

10. The developed countries and the multilateral development agencies should refrain from imposing development models on the developing countries, instead allowing them to choose their own road to development; they must also help to enhance capacity-building in developing countries and offer them more untied aid. The United Nations should play a leading role in promoting the attainment of the millennium development goals and, at the same time, strengthen its coordination and cooperation with the World Bank, the International Monetary Fund, the World Trade Organization and other multilateral economic institutions.

11. **Mr. Haraguchi** (Japan) said that Japan had pledged assistance of more than 250 billion yen (approximately $2 billion) over the next five years for educational programmes in low-income countries. The Johannesburg Plan of Implementation had recommended that the General Assembly should consider designating a decade of education for sustainable development, starting in 2005.

12. Ownership by developing countries and their partnership with the international community were crucial to balancing environmental protection and development. In the context of the New Partnership for Africa's Development (NEPAD), his Government had launched an aid plan entitled "Solidarity between Japan and Africa" and would host the third Tokyo International Conference on African Development

(TICAD III) in October 2003. His delegation also welcomed the Africa Action Plan adopted by the Group of Eight at their Kananaskis Summit. Since 1997, Japan had been a major donor to the New Rice for Africa (NERICA) effort, which promoted a new highly productive, disease-resistant hybrid of African and Asian rice which could be of great assistance in alleviating food shortages.

13. In addressing development issues, special consideration must be given to the vulnerable situation of the least developed countries, the landlocked developing countries and the small island developing countries. Implementation of the Brussels Programme of Action, adopted at the Third United Nations Conference on the Least Developed Countries, and the Barbados Programme of Action, adopted by the Global Conference on the Sustainable Development of Small Island Developing States, must continue. Support must also be given to the ministerial meeting of landlocked developing States, scheduled for 2003.

14. Since the early 1990s, Japan had promoted "triangular cooperation" in support of South-South cooperation by joining forces with, inter alia, Argentina, Brazil, Chile, Egypt, the Philippines, Singapore, Thailand and Tunisia, to send experts to other developing countries or organize seminars for them. In the fiscal year 2001, Japan had contributed $96 million to the United Nations Development Programme (UNDP), equivalent to roughly 15 per cent of its core budget. It had also earmarked $4.5 million for South-South cooperation. In August, Japan had convened the Initiative for Development in East Asia (IDEA) to discuss official development assistance at the ministerial level; he hoped that lessons learned in East Asia could be applied to other regions.

15. In June, deeply concerned about the problem of global warming, Japan had ratified the Kyoto Protocol to the United Nations Framework Convention on Climate Change. It hoped that those annex I countries which had not ratified it would do so at the earliest possible date and that countries not bound by the Kyoto Protocol would make every effort to reduce or limit their greenhouse gas emissions. He also stressed the need to enhance compliance with the various international environmental agreements, particularly the Convention on Biological Diversity and the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa.

16. In conclusion, he echoed the Chairman's concern about the need for more efficient and practical management of the work of the Second Committee.

17. **Mr. Chowdhury** (Bangladesh) expressed his delegation's support for the statement made by the representative of Venezuela on behalf of the Group of 77 and China. Progress could not be achieved without increasing resource flows to the developing world, particularly the poorest countries. In order to ensure that the poorer countries benefited from the gains of globalization, high-income industrialized countries must curb trade barriers, including unrealistic labour standards, and allow the poorest countries duty-free and unfettered access to their markets. Globalization must also lead to further democratization of the multilateral financial institutions and instruments of global government, and to the flexibility necessary to respond to new challenges. According to a joint study released by the International Monetary Fund (IMF) and the World Bank at those institutions' recent annual meeting, trade barriers were consuming $650 billion annually which could otherwise be channelled into raising the standard of living in the poorest countries. Those were all issues to be addressed by the World Trade Organization. Bangladesh, for its part, had substantially liberalized its trading regime, long before other countries in comparable situations, and hoped for reciprocity from its partners.

18. The international community must support the full implementation of NEPAD and the Brussels Declaration and the Programme of Action for the Least Developed Countries for the Decade 2001-2010. The least developed countries were incorporating elements of the Brussels Programme of Action in their national programmes; in turn, the international community and their partners, particularly the developed countries and the funds, programmes and specialized agencies of the United Nations, should honour their commitments. His delegation welcomed the Secretary-General's decision to appoint the High Representative for the Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States and hoped that the operational capacity of the United Nations Conference on Trade and Development (UNCTAD) would be strengthened in accordance with General Assembly resolution 56/227. Moreover, the international community must now match the efforts made by African leaders within the context of NEPAD. His delegation looked forward to the Secretary-

General's proposals on institutional support for the implementation of the New Partnership.

19. Bangladesh had overcome poverty through a mix of sound economic policies, appropriate utilization of external assistance and innovative home-grown initiatives such as microcredit and non-formal education. It now produced enough food grains to feed its population, had reduced its population growth rate by one half in the past two decades and had made great strides in gender mainstreaming and its overall national health and education profiles. In his delegation's view, development was achievable only in the context of pluralism, democracy, good governance and gender equality at the national level, bolstered by an enabling international environment. Development must also embrace all actors — non-governmental organizations (NGOs), advocacy groups, public/private partnerships and intergovernmental partnerships, such as North-South and South-South collaboration.

20. **Mr. Loulichki** (Morocco) said that his delegation supported the statement made by the representative of Venezuela on behalf of the Group of 77 and China, and stressed the need for follow-up mechanisms to the Monterrey Conference and Johannesburg Summit in order to assess how international development partners were fulfilling their obligations. The Second Committee, in particular, must determine how best to evaluate progress and the implementation of the Monterrey Consensus by Member States, the United Nations system and the international and regional financial institutions. The Economic and Social Council could play a key role in that connection. While the Plan of Implementation adopted in Johannesburg fell short of the developing countries' aspirations, it nevertheless set out a number of commitments which the international community must honour. In that connection, his delegation welcomed the decision to establish a world solidarity fund to finance poverty eradication programmes and projects and hoped that the modalities of the fund's operation would be determined during the current session.

21. His delegation attached great importance to the implementation of the outcomes of the World Food Summit and its Plan of Action, particularly the objectives of reducing by half the number of impoverished and undernourished people. Expressing concern about the trade negotiations in the World Trade Organization, he stressed the commitment undertaken at the Doha Ministerial Conference to place the interests of the developing countries at the heart of negotiations and to make the new round of negotiations a "development round". The impasse in trade negotiations and the rise in protectionism in recent times cast doubt on that commitment.

22. Welcoming the General Assembly's support for NEPAD, he stressed the importance of the African countries' commitment to democratizing their political systems and improving their economic policies. It remained to be seen how the United Nations system would adapt its operational activities to the Secretary-General's proposal to make NEPAD the new policy framework for Africa's development (A/57/156, Summary), and how it would integrate NEPAD in its cooperation programmes. Pragmatic mechanisms and the participation of all actors — the developed countries, the developing countries, the United Nations system and the international financial institutions — would be necessary to implement the commitments undertaken at the 2002 Conferences and Summits.

23. *Mr. Benmellouk (Morocco), Vice-Chairman, took the Chair.*

24. **Mr. Effah-Apenteng** (Ghana) said that, despite laudable proposals relating to economic and social issues emanating from recent international conferences, developing countries had yet to achieve tangible progress, despite strenuous efforts at implementing reforms and liberalization. The situation in general had taken a turn for the worse for various reasons, notably the lack of coordinated follow-up and implementation of the outcomes of United Nations conferences and summits. The United Nations should propose practical ways of achieving the goals that had been set, instead of churning out more repetitive resolutions.

25. One of the most daunting problems confronting humanity was poverty eradication. It was therefore encouraging to note that there was an unprecedented general agreement on the requisite measures to address poverty. The goal could not be achieved without good governance, respect for the rule of law and policies and structures designed to unlock the creative energies of the people and promote internal as well as foreign direct investment. Ghana was deeply committed to those fundamental principles but unable to achieve the necessary levels of growth in the short term without ready, firm and comprehensive economic support from the international community, especially in the areas of trade and market access, debt relief, official

development assistance and capacity-building. His Government viewed with deep concern measures taken by certain States, stifling trade liberalization to the detriment of developing countries. Such actions by developed countries were a betrayal of their avowed commitment to support the eradication of poverty.

26. External debt relief was broadly recognized as a crucial factor for liberating resources that could be used for activities to promote sustainable growth and development. In its efforts to re-establish financial viability, Ghana had opted for the Heavily Indebted Poor Countries (HIPC) initiative. The financial resources allocated to HIPC should be increased and its debt sustainability analysis should be based on more realistic projections of each country's future export earnings.

27. Since the principle of lending and borrowing was an important element of financing for development, Ghana would always honour its contractual obligations to sustain a modern economy and a stable international financial system. Ghana was also at one with other developing countries in striving for further bilateral and multilateral measures to resolve the debt crisis. Official development assistance was a crucial element in the struggle against poverty, and Ghana viewed with deep concern the current figure of 0.22 per cent of GNP for such assistance in comparison with the United Nations target of 0.7 per cent. Development partners should show practical solidarity by reversing that trend and achieving the set target.

28. In the fight against poverty, the slow pace of reforms was sometimes attributable to the lack of institutional capacity in developing countries. The outmoded, costly and ineffective method of technical assistance to developing countries using foreign consultants paid from the aid budget should be replaced by the allocation of resources for human and institutional capacity-building in developing countries. Such capacity-building and other measures were imperative for the successful implementation of the New Partnership for Africa's Development (NEPAD).

29. Ghana acknowledged the multifaceted nature of sustainable development and was keenly aware of its responsibility to protect the Earth's resources for the sake of all humanity. The international community had agreed on the urgent need to respond to the problem of world environmental deterioration. The high hopes which had arisen from conferences such as the Earth Summit had, however, remained largely unfulfilled. Whatever progress had been made towards the agreed goals had been slower than expected and, in some respects, conditions had grown worse. Ghana had ratified most of the conventions for the protection of the environment and had developed comprehensive legislative and social frameworks to achieve the corresponding objectives. Its experience showed that achieving the goals was no easy undertaking even where the political will existed.

30. At the World Summit on Sustainable Development, the international community had committed itself yet again to the achievement of internationally agreed development goals. Fortunately, the Plan of Implementation contained reasonable and implementable targets and timetables for action on a wide range of issues, including clean water, sanitation, fisheries, biodiversity and toxic chemicals. Partnership initiatives involving Governments, civil society groups and businesses should generate additional resources and expertise to achieve far-reaching results.

31. The conclusions of the Summit should promote practical partnerships for sustainable development, bringing together the United Nations, national Governments, business and civil society with increased resources to tackle global problems on a global scale. The Second Committee must endeavour to find ways to channel that energy into practical realizations for the good of humankind.

32. **Mr. Akram** (Pakistan) said that global economic growth had slowed significantly over the past two years, and the world economy hovered between recession and a weak recovery. There were, unfortunately, considerable differences among the major economic players about actions which each of them must take to revive growth.

33. Only 12 of the 140 developing countries had benefited from the era of globalization when the Washington Consensus had reigned unquestioned. In the rapidly integrating global economy, the poorest countries and the most vulnerable groups within those countries had been increasingly marginalized. While prosperity had grown in some parts of the world, the number of people living in poverty continued to increase in absolute numbers; the rich were getting richer, the poor were becoming poorer. That did not augur well for a stable and prosperous global order in the twenty-first century.

34. One of the main reasons for the asymmetrical evolution of global society was the inherent inequity in the international trading and financial system, with discrimination against third world exports, unequal distribution of investment finance, and mounting debt burdens. There had been insufficient recognition of those underlying reasons for the failure of development in the developing countries. Economic growth generated through investment and trade was indispensable for the realization of the other two pillars of sustainable development — social development and environmental protection. Genuine globalization required that the developing countries should be properly integrated into the global economic system and that markets in the developed countries should be opened to freer cross-border flows of goods, technology, capital, information and people.

35. Over the past two decades, the international community had held conferences on the need for global and equitable economic and social development. The consensus conclusions reached at those conferences constituted a pledge by all Governments to abide by and implement the policy decisions, commitments and action plans adopted, reflecting a new international consensus — a United Nations consensus — which should replace the Washington Consensus and constitute the basis for a renewed global endeavour to promote equitable global socio-economic development. Follow-up and implementation must be secured in an integrated, comprehensive and balanced manner. As a first step, the Secretary-General should prepare a document identifying policy decisions, commitments and actions adopted in various areas by those international conferences, to serve as a baseline to assess implementation.

36. An effective mechanism was needed to review, monitor and guide the follow-up to that United Nations consensus. His delegation was circulating a non-paper entitled "Follow-up and implementation of economic and social policies, commitments and action plans" which envisaged the establishment of an integrated, comprehensive and coordinated follow-up mechanism. The major responsibility for follow-up should rest with the Economic and Social Council. Substantive reviews in various areas could be conducted by commissions or committees operating under the Council and the General Assembly. The non-paper covered modalities, periodicity and location of meetings, membership of the review bodies, nature of representation, participation by States as well as civil society and the private sector, and possible Secretariat support. The document foresaw an integrating role for the Council and the Assembly. Such a comprehensive, coordinated and coherent follow-up mechanism would enable the international community to transform consensus into action.

37. **Mr. de Rivero** (Peru) said that the International Monetary Fund had recently altered its economic forecast for Latin America and the Caribbean, contained in the World Economic Outlook, stating that the region would not achieve even the very low level of growth which had been forecast and that there would in fact be negative growth of 0.6 per cent in 2002. Only three Latin American countries were showing moderate signs of growth, with rates of about 3 per cent, and one of them, Peru, might even exceed that figure. However, Peru was experiencing growing social unrest. Once again, there was a gap between what democracy promised and what people received. It was estimated that the Latin American countries would have to show annual growth rates of at least 6 per cent for several consecutive years in order to meet the basic needs of their peoples, sustain democratic governance and maintain the population's confidence in democracy. Unfortunately, such growth rates were far from being achieved.

38. For many years, the Latin American countries had been faithfully implementing the terms of the Washington Consensus, in the hope of attracting foreign capital; the World Economic Outlook, however, indicated that in Latin America and the Caribbean the year 2002 would see the third consecutive decrease in foreign private investment. The recent meeting of the International Monetary Fund had ended without a solution to the world crisis, especially the Latin American crisis, the most complex in that region since the external debt crisis of the 1980s. As a result, democratic governance was in danger in many Latin American countries.

39. As part of the current reform of the world financial architecture, a mechanism should be established to support democratic governance, which was showing signs of fragility in the face of growing social unrest. Appropriate macroeconomic measures must be taken to finance credit and market access. A way must be found to reconcile economic freedom with political freedom; they were on a collision course in

Latin America, and there was a danger that the region might once again turn to authoritarian regimes.

40. As for climate change, it was becoming increasingly difficult to argue that natural climatic fluctuations were to blame for the occurrence of extreme phenomena such as El Niño. Such disasters were clearly caused by human activity in regions where high levels of greenhouse gases were produced, with severe consequences for countries such as Peru, where ecosystems and infrastructure were being damaged and biodiversity was being lost. Given the grave consequences of such disasters, particularly for the developing countries, the international community must redouble its efforts to reduce the vulnerability of the population to such disasters, which were directly related to global patterns of production and consumption of fossil fuels. Implementation of the Kyoto Protocol would help to reduce the impact of greenhouse gas emissions. That agreement was the most significant effort so far by the international community to reduce vulnerability to natural disasters and extreme climatic phenomena.

41. **Mr. Kerim** (The Former Yugoslav Republic of Macedonia) said that the tension caused by the terrorist attacks of 11 September 2001 still persisted, creating a lack of confidence on world markets and a predominant psychology of betrayed expectations and economic anxiety in many parts of the world. Economic stagnation in most of the world's leading economies was an issue of great concern. Until that problem was solved, there would be tremendous difficulties in coping, in the medium term, with the economic turmoil affecting a significant number of developing countries. Protectionist measures, particularly trade barriers, would do nothing to lubricate the engine of worldwide output and growth.

42. Despite an international environment less conducive to growth and development, 2002 had been a milestone of international cooperation and partnership in the areas of sustainable development and international financing. A valuable partnership had been created involving international organizations and financial institutions, the private sector and civil society. Appropriate follow-up within the United Nations framework was the only way to ensure that the economic, social and environmental dimensions of sustainable development would also encompass good governance at all levels; that in turn must start with the fight against corruption. Anti-corruption capacity-building must focus on comprehensive integration of checks and balances, preventive measures and effective law enforcement in order to develop a stable investment climate for the developing and transition economies.

43. The United Nations had the opportunity to set an example of good governance. The reform initiatives of the Secretary-General deserved the full support of the international community; at the same time it was important to be aware of the interrelated nature of efforts to revitalize the General Assembly and to reform the Security Council and the Economic and Social Council. A weak General Assembly would always overshadow any results achieved in reforming the Security Council.

44. The United Nations Declaration on the New Partnership for Africa's Development (NEPAD) was an excellent example of the role of the General Assembly in promoting regional issues which were of global significance; it also demonstrated the urgent need to strengthen the efforts of the international community in helping Africa to break the vicious circle of poverty and misery. The implementation of NEPAD would be one of the yardsticks by which the achievements of the World Summit on Sustainable Development would be measured. In the struggle against poverty, a significant role would be played by exchange of know-how and technology transfer.

45. The Monterrey Consensus should be part of the basic guidelines for the work of the Second Committee and of the whole Organization. In Monterrey, world leaders had shaped a new approach to global development, particularly its financing dimension, designed to unleash the entrepreneurial potential of the developing countries instead of locking them into a cycle of dependence. Appropriate follow-up was essential in order to preserve the benefit of a new spirit in dealing with the most delicate issues of financing for development, which had greatly divided the international community in the past.

46. The forthcoming negotiations mandated at Doha would certainly contribute to genuine multilateralism in international trade. The goals of financing for development and sustainable development were interrelated and their attainment depended on ensuring market access for the developing countries. As for the least developed countries, it was essential that the

Programme of Action adopted at Brussels in May 2001 should be implemented.

47. The development of foreign trade in the transition economies had proved to be a very effective means of facilitating reforms and smoothing the hardships of transition. Revenue and growth resulting from increased exports from the transition economies had in turn favourably influenced internal reforms. However, the task of creating a favourable environment for efficient trade financing in transition economies remained an extraordinary challenge, especially the need to make them less vulnerable to changing world market conditions. Regional cooperation was among the highest priorities of Macedonian foreign policy. Stability and peace in south-eastern Europe could not be achieved without sound economic cooperation based on economies of scale and the removal of trade and transport barriers throughout the region. As a small country, the Republic of Macedonia could attain economic growth only by creating an open market economy. His Government had signed numerous free trade agreements with the countries of the region, encompassing a market of about 100 million people, and had recently completed negotiations with the World Trade Organization, opening the way to full membership, which was expected at the beginning of 2003. As an associate member of the European Union, the Republic of Macedonia hoped to catch up with the European integration process and benefit from the process of globalization.

48. Aside from its benefits, globalization also had negative implications based on the fact that certain national policies had an impact beyond national boundaries, for example, in the area of taxation. The driving forces of globalization were trade and investment liberalization, technological innovation, entrepreneurship and a global social network. Globalization was not a blind force; individual States and Governments set the policies and the rules of the globalized economy.

49. He associated his delegation with the recent suggestion by the President of the World Bank concerning joint strategic action by the international community for the future of economic development: first, a move towards better policies, investment climate and governance in developing countries and economies in transition; second, a removal of trade barriers to give developing economies a better chance in world markets; third, an increase in development aid, with better allocation to decrease the burden it imposed; and fourth, action as a global community where it really mattered.

50. *Mr. Suazo (Honduras) resumed the Chair.*

51. **Mr. Naidu** (Fiji), speaking also on behalf of the Pacific Islands Forum countries, Australia, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, New Zealand, Palau, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu, said the issues before the Committee were of critical importance to the future sustainable development of all countries, in particular the least developed countries, small island developing States and landlocked developing countries. The outcomes of the International Conference on Financing for Development and the World Summit on Sustainable Development in particular provided excellent platforms for the promotion of sustainable development and would make the work of the Second Committee more relevant and effective.

52. He expressed support for the work of the Committee and the United Nations system in promoting agreed international development goals, including the millennium development goals. He reiterated his Group's support for the Barbados Programme of Action for the Sustainable Development of Small Island Developing States, whose needs had been explicitly recognized in the outcome documents of the World Summit on Sustainable Development. The commitments made in the Barbados Programme of Action must be translated into tangible results by the ten-year review in 2004.

53. Real progress could come only through real commitment by all stakeholders. Despite the different challenges facing countries, international cooperation, sound policy-making and a clear sense of commitment would make the goal of sustainable development achievable.

54. **Mr. Jiménez Torres** (Ecuador), having associated himself with the statement made by the representative of Venezuela on behalf of the Group of 77 and China, said that the economic reforms begun in the 1990s at the request of international financial bodies, while initially successful, no longer seemed to be bearing fruit. Structural vulnerabilities, poverty and extreme poverty persisted and had even worsened, making developing countries, in particular the smallest, even more sensitive to fluctuations in international

markets. Prevailing economic theories based on privatization, liberalization and deregulation had shown themselves to be wanting in the highly diverse economies and markets in the world and failed to take into account the often decisive role played by external factors. Each country must reform its market taking into account its own resources, possibilities and particular circumstances.

55. The tremendous efforts made by developing countries to modernize their economies, at great social cost, had not been matched at the international level. Subsidies and lack of market access distorted trade patterns and prevented the developing countries from marketing local products. In addition, despite repeated attempts at renegotiation, the external debt burden continued to weigh heavily on many developing countries, virtually eliminating any margin for social programmes.

56. The United Nations must lay the foundation for a fair distribution of the benefits of globalization and avoid formal but empty promises of good intentions.

57. **Mr. Coşkun** (Turkey), having associated himself with the statement made by the representative of Denmark on behalf of the European Union, stressed the need for the United Nations to remain responsive to the crisis of growth and development. The Second Committee played a significant role in dealing with issues relating to economic growth, poverty eradication and sustainable development and the recent international conferences mandated by the Committee had generated new momentum in those areas.

58. Although globalization could certainly contribute to prosperity, poverty reduction and increased liberty, it could also create imbalances and inequalities. It was therefore necessary to manage the globalization process responsibly and strengthen the international financial architecture so that speculative capital flows would not wreck entire economies. Poverty likewise could not be ignored and the downward spiral of the poorest countries must be stopped.

59. The goals of the Millennium Declaration must be implemented and the progress made at Doha in the areas of increased market access and liberalization of trade practices must be further developed. The Monterrey Conference had recognized the responsibility of each country to promote development, but concerted international support was necessary and he welcomed the determination of the developed countries to increase official development assistance. The World Summit on Sustainable Development had placed social, economic and environmental issues high on the international agenda in an integrated manner. The commitments made must be translated into reality in order to ensure a better future for all. Follow-up processes must be both coherent and consistent and the Second Committee should work actively to promote those development goals.

60. **Ms. Ribeiro Viotti** (Brazil), having associated herself with the statement made by the representative of Venezuela on behalf of the Group of 77 and China, said the world economic situation continued to be dominated by uncertainty. The optimism generated by the Doha, Monterrey and Johannesburg meetings had to be balanced against the pessimism caused by current trends in economic growth, new protectionist measures on the part of developed countries and continuing asymmetries in globalization.

61. The Monterrey Conference had given development a new priority and had recognized its importance for the promotion of peace and international security, the need to adopt an integrated approach to development and the need for social policies and sharing of the benefits of globalization. The Johannesburg Summit had reaffirmed the Rio commitments and set targets in fundamental areas such as sanitation, biodiversity, fish stocks, health, environmental hazards and renewable energy. A world solidarity fund had been proposed and it had been decided to negotiate an international regime to ensure the sharing of benefits arising from the use of biological diversity. Furthermore, participation had been broadened and the United Nations, the Bretton Woods institutions, developing and developed countries, non-governmental organizations and the private sector had acknowledged that there was much to gain through cooperation and partnership. The challenge in coming months would be to ensure vigorous follow-up to those Conferences.

62. On the other hand, foreign direct investment had fallen by 50 per cent in 2001, forecasts for economic growth had been revised downward and protectionist agricultural measures and high subsidies in the developed countries hindered trade. Agricultural liberalization by industrial countries would result in substantial gains for both developed and developing countries and was a core requirement for making international trade work for the poor.

63. The developing countries, which had undertaken domestic reforms in the 1990s, had not been rewarded with an enabling international environment. Only three Latin American economies had grown more in the 1990s than in the previous decades. Brazil, for example, had instituted domestic reforms, opened its economy, deregulated, privatized and pursued a prudent fiscal policy. Its import tariffs had decreased but many of its exports continued to face barriers in the markets of developed countries, leading to a significant trade deficit.

64. The world community was at a crossroads: the problem of trade imbalances must be addressed and protectionism must be resisted. Trade liberalization during the previous 50 years had brought countries together and promoted development but, in order to address the asymmetries of globalizations, issues such as financial stability and the lack of representation of developing countries in decision-making processes of the international financial system must be remedied. That required good governance not only at the national but also at the international level.

65. Debt relief, in particular the Heavily Indebted Poor Countries (HIPC) initiative, must be made more effective; her Government had, for example, written off more than US$ 1 billion in debts. More official development assistance must also be made available, preferably through multilateral instruments. The international community must encourage growth and address the systemic problems of the world economy through a combination of existing domestic policies and the creation of an enabling international environment.

66. **Mr. Baali** (Algeria) associated himself with the statement made by the representative of Venezuela on behalf of the Group of 77 and China and noted the international community's renewed will to strengthen international cooperation and develop partnerships at all levels. The millennium development goals and the outcomes of the Monterrey and Johannesburg conferences provided a framework for development, poverty reduction, better health and globalization. Increased official development assistance, debt reduction, market access, foreign direct investment in the developing countries, in particular in Africa, and reform of the international financial architecture to increase participation by developing countries must all remain priorities.

67. He welcomed progress made towards implementation of the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa, as well as provision for a funding mechanism for that Convention. He urged the Assembly of the Global Environment Facility to declare desertification and deforestation to be priority areas for its work and further urged the parties to the Convention to make the Global Environment Facility a funding mechanism for the Convention.

68. Globalization and rapid technological change exposed developing countries, in particular, in Africa, to the risk of marginalization. Poverty remained the greatest threat to globalization and increased international cooperation, renewed North-South partnership and sharing of responsibilities and the benefits of globalization would be the key to reducing poverty. Education and health had also been identified as determining factors for development and, with regard to the latter, he welcomed the creation of the global fund to combat HIV/AIDS, tuberculosis and malaria.

69. The African Union had developed the New Partnership for Africa's Development (NEPAD) to meet the development needs of the continent. It recognized the role to be played by national governments in fighting poverty, illness and underdevelopment, while stressing the need for international support. The G-8 Action Plan for Africa as well as the adoption by the General Assembly on 16 September 2002 of the Declaration on NEPAD had been welcome expressions of support.

70. He expressed concern at the continuing decrease in financial resources for United Nations funds and programmes at a time when the needs of the developing countries continued to grow; adequate and stable funding must be guaranteed. In addition, while recognizing the multilateral character of operational development activities, he stressed the need for beneficiary countries to be directly involved in implementation and management of such activities.

71. **Mr. Doryan** (World Bank) said that the Millennium Summit, the International Conference on Financing for Development, the World Summit on Sustainable Development and the Doha Ministerial Meeting of WTO had created a paradigm shift for development. The deliberations of the Bretton Woods

institutions, for example, had been substantially transformed by the common ground developed at those meetings and a new development agenda had been set. The Monterrey Consensus would be implemented in the context of the millennium development goals, taking into account the impact of the Johannesburg Summit. The reforms proposed by the Secretary-General would make the United Nations a contemporary, streamlined institution and the Second Committee should become a platform for developing new, integrated methods for implementing development goals.

72. Despite institutional differences, the new development edifice should be built around three major themes: embedding the causal links between the Millennium Summit, the International Conference on Financing for Development and the World Summit on Sustainable Development; continuation of the collective action which had led to Monterrey by reforming working methods at the intergovernmental and institutional levels; and implementation of outcomes.

73. Six main points could serve as building blocks for achieving the goals of the United Nations conferences. The country-driven approach to development must be highlighted, with continuing review of progress made in the light of country priorities. Aid must be doubled in order to meet the millennium development goals and improved cooperation and coordination between donors and countries would ensure greater support for country-driven strategies. Programmes must be result-oriented and donor and agency performance must be evaluated through a collective approach. Commitments in the areas of official development assistance, trade and market access must be realized without waiting for World Trade Organization agreements. In order to ensure full debt relief, the Heavily Indebted Poor Countries (HIPC) Trust Fund must be adequately financed and donors and creditors must participate in the programmes agreed with individual countries. Finally, it was important that the World Bank improve its governance, accountability, transparency and disclosure, including in the budget process, and strengthen developing country representation.

74. The core challenge was to link the outcomes of the flagship conferences, change the way the United Nations system worked and implement with a view to ensuring more positive results on the ground. The current session of the Second Committee would be pivotal; it had proven its capacity to create the momentum for change and must continue to promote the development agenda.

75. **Mr. Munzberg** (International Monetary Fund (IMF)) stressed the Fund's commitment to poverty reduction and the Monterrey, Doha and Johannesburg processes and cited the New Partnership for Africa's Development (NEPAD) as a concrete example of progress towards those goals. The Fund would continue to base its work on cooperation between developed and developing countries, stressing country ownership for development policy supported by the international community on the basis of mutual accountability, sound policies and institutions, good governance, increased cooperation and a more open trade system. Capacity-building also played an important role, as evidenced for example by the establishment of two African Regional Technical Assistance Centres (AFRITACs). The emphasis at all times would be on implementation, concrete action and continued progress.

76. Much work had already begun in relation to the Monterrey outcomes. Priorities had been identified and new directions had been set in areas such as crisis prevention and resolution, enhanced value surveillance, vulnerability assessments, surveillance of systemically important countries and their impact on the international economy, transparency and improved standards for application of policies by Member States with a view to improving their financial situation and ensuring greater resilience for those systems. New guidelines on conditionality had also been developed in order to lessen the burden on the countries concerned.

77. With regard to low-income countries, the Fund would continue to promote the millennium development goals and support economic reforms with a view to increasing growth and reducing poverty by means of Poverty Reduction Strategy Papers (PRSPs), country participation, sound expenditure management and social impact analysis. As for the HIPC initiative, the Fund recognized the need to provide a lasting exit strategy for countries faced with an unsustainable debt load. Financing must be improved and greater flexibility must be ensured to allow for topping-up of resources in exceptional circumstances. Sound policies must be promoted and provision should be made for redirecting social expenditure to priority areas such as education and health.

78. Discussions would continue on the possibility of quota increases and on increased representation for the developing countries. The Fund would continue to stress concrete action, implementation and result-oriented programmes. It would report on progress made at the high-level segment of the Economic and Social Council and would welcome input from the Second Committee on how to coordinate its work with the Committee when reporting to the Council.

The meeting rose at 6.05 p.m.